

# **Annual Report of the Independent Review Committee to the Next Edge Group of Funds**

February 29, 2024

Dear Securityholder,

In accordance with **National Instrument 81-107 *Independent Review Committee for Investment Funds*** (“NI 81-107” or the “Instrument”), Next Edge Capital Corp. (the “Manager”) established an Independent Review Committee (the “Committee” or “IRC”) for the Funds (the “Funds”).

The IRC has functioned in accordance with the applicable securities laws and is composed of three individuals, each of whom is independent of the Funds, the Manager and each entity related to the Manager (as defined in the Instrument).

The IRC is pleased to publish its annual report to Securityholders, covering the period from January 1, 2023 to December 31, 2023 (the “Reporting Period”).

## **Mandate of the IRC**

In accordance with the Instrument, the mandate of the IRC is to consider and provide decisions to the Manager on conflicts of interest to which the Manager may be subject when managing the Funds. The Manager is required under the Instrument to identify potential conflicts of interest inherent in its management of the Funds, develop written policies and procedures guiding its management of those conflicts and request input from the IRC on those written policies and procedures.

When a conflict matter arises, the Manager must refer its proposed course of action in respect of such conflict to the IRC for its review. While certain matters require the IRC’s prior approval, in most cases the IRC will provide a decision to the Manager as to whether, in the opinion of the IRC, the Manager’s proposed action provides a fair and reasonable result for the Funds. For recurring conflict of interest matters, the IRC can provide the Manager with Standing Instructions (“SIs”) that enable the Manager to proceed with certain matters without having to refer them to the IRC each time for approval, providing the Manager deals with the conflicts in accordance with the SIs.

The IRC is empowered to represent the best interest of the Funds in any matter where the Manager has referred a conflict of interest matter to it. In those cases, the IRC has sought to ensure that the Manager’s proposed course of action represents a fair and reasonable result for the Funds.

## **Composition of the IRC**

The current members of the IRC and their principal occupations are as follows:

<i>Name and Municipality of Residence</i>	<i>Principal Occupation</i>	<i>Term of Office</i>
Chair: Geoff Salmon, Barrie, Ontario	Managing Director Independent Review Inc.	Initially appointed: February 14, 2014.  Re-appointed for three years in 2022 until December 31, 2025
Pat Dunwoody, Toronto, Ontario	Financial Services Executive	Initially Appointed on January 1, 2024 for a period of one year
Anthony L. Cox, Toronto, Ontario	Financial Executive.	Initially appointed: January 1, 2022.  Re-appointed for two years in 2022 until December 31, 2024
Eamonn B.P. McConnell, Toronto, Ontario	Consultant, Managing Director Kensington Capital	Initially appointed May 2009.  Re-appointed for two years in 2021 until December 31, 2023

In accordance with the Committee's succession plan, Eamon McConnell's term ended on December 31, 2023 and he did not seek re-appointment. On October 27, 2023, the IRC appointed Pat Dunwoody to the IRC to replace him with effect from January 1, 2024, for a one-year term. On that same date, the IRC appointed Mike Neylan to the IRC to replace Geoff Salmon with effect from January 1, 2025, for a one-year term. On February 29, 2024, Geoff Salmon was appointed as Chair of the IRC for a period of one year.

## **Compensation and Indemnification**

### **Review of Compensation**

The IRC reviewed its compensation which included a consideration of:

- the nature and extent of the workload of each member of the IRC, including the commitment of time and energy expected from each member;
- the number of meetings required by the IRC including special meetings to consider conflict issues brought to the committee;
- industry best practices, including industry averages and surveys on IRC compensation; and,
- the complexity of the conflict issues brought to the IRC.

The IRC concluded that its fees were adequate at present.

### **Members' Fees**

In aggregate, the IRC members were paid \$30,000 in 2023, plus applicable taxes.

## **Indemnities Granted**

The Funds and the Manager have provided each IRC Member with a contractual indemnity in keeping with NI 81-107. No payments were paid to the IRC Members pursuant to this indemnity by the Funds or the Manager during the Reporting Period.

## **Disclosure of IRC Members' Holdings**

As of December 31, 2023, the IRC Members did not beneficially own, directly or indirectly:

- any units in any of the Funds;
- any interest in the Manager; or,
- any interest in a company or person that provides services to the Manager or any Fund.

## **Decisions and Approvals**

**On June 7, 2023**, the Manager proposed to change the fund auditors from Ernst & Young, LLC (Toronto) (“E&Y”) to Deloitte LLP (“Deloitte”). After reasonable enquiry and based on the information provided to the IRC by the Manager (both verbally and in writing) prior to and during the meeting, the IRC determined that the Manager’s proposed course of action to change the auditors from E&Y to Deloitte provided a fair and reasonable result for each of the funds managed by the Manager under the jurisdiction of the IRC.

## **Standing Instruction Approved**

The IRC has approved one (1) SI. The Manager can proceed with the specific action(s) set out in an SI without having to refer each conflict of interest matter or its proposed action to the IRC, provided that the Manager complies with the terms and conditions of the SI. The SI required the Manager to comply with its related policy and procedures and to report periodically to the IRC.

### **Standing Instruction No. 1: Omnibus. *(Amended February 29, 2024)***

This SI deals with a number of conflict of interest matters including:

1. Fees and Expenses
2. Trade Allocations
3. Portfolio Pricing Issues
4. Pricing Errors and Other Errors
5. Distribution Issues
6. Showing Favouritism
7. Outsourcing to Third-Party Services
8. Personal Trading
9. Client Complaints
10. Capacity Issues

### **Manager's Report on its Standing Instruction**

In accordance with the Instrument, the Manager provided a written report to the IRC describing its reliance on the SI during the Reporting Period.

### **Funds served by the IRC during the Reporting Period**

Next Edge Biotech and Life Sciences Opportunities Fund  
Next Edge Strategic Metals and Commodities Fund  
Veritas Next Edge Premium Yield Fund  
2028 Investment Grade Bond Trust

This report is available on the Manager's website at <http://nextedgecapital.com/> or you may request a copy, at no cost to you, by contacting the Next Edge Funds at 1 877-860-1080 or by emailing the Next Edge Funds at [info@nextedgecapital.com](mailto:info@nextedgecapital.com). This document and other information about the Next Edge Funds, is available at [www.sedar+.com](http://www.sedar+.com).

Yours truly,

*"Geoff Salmon"*

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Geoff Salmon, Chair

## **Schedule of the Independent Review Committees on which the IRC Members Serve**

**Eamonn McConnell served as a member of the Independent Review Committees for the following funds:**

Investment funds that are reporting issuers, managed by 3iQ Corp.  
Investment funds that are reporting issuers managed by Edgehill Partners LP.  
Investment funds that are reporting issuers managed by Genus Capital Management Inc.  
Investment funds that are reporting issuers managed by Next Edge Capital Corp.  
*(completion of term effective December 31, 2023)*  
Investment funds that are reporting issuers managed by Ninepoint Partners LP.  
Investment funds that are reporting issuers managed by SmartBe Wealth Inc.  
*(ceased to be a member effective as of July 31, 2023)*

**Geoff Salmon served as a member of the Independent Review Committees for the following funds:**

Investment Funds that are reporting issuers managed by Accelerate Financial Technologies Inc.  
Investment Funds that are reporting issuers managed by Addenda Capital Inc.  
Investment Funds that are reporting issuers managed by Algonquin Capital Corp.  
Investment Funds that are reporting issuers managed by Edgehill Partners.  
Investment funds that are reporting issuers managed by Evermore Capital Inc.  
Investment funds that are reporting issuers managed by Genus Capital Management Inc.  
Investment funds that are reporting issuers managed by Hamilton Capital Partners Ltd.  
Investment funds that are reporting issuers managed by Integra Capital Limited  
*(ceased to be a member effective as of March 31, 2023)*  
Investment Funds that are reporting issuers managed by McElvaine Investment Management Ltd.  
Investment funds that are reporting issuers managed by Next Edge Capital Corp.

**Anthony Cox served as a member of the Independent Review Committees for the following funds:**

Investment funds that are reporting issuers managed by Next Edge Capital Corp.  
Investment funds that are reporting issuers managed by Connor, Clark & Lunn Financial Group  
*(completion of term effective April 30, 2023)*  
Investment funds that are reporting issuers managed by PIMCO Canada Corp.  
*(completion of term effective February 28, 2023)*

**Pat Dunwoody served as a member of the Independent Review Committees for the following funds:**

Investment funds that are reporting issuers managed by Picton Mahoney Asset Management.  
Investment funds that are reporting issuers managed by Next Edge Capital Corp.  
*(appointed effective as of January 1, 2024)*